

Statement of Ms. Patricia Sands

Owner of Spill-Guard, Arlington, Virginia

The President's FY2006 Budget Request for the Small Business Administration
U.S. Senate Committee on Small Business and Entrepreneurship

Thursday, Feb. 17, 2005, 10 a.m.

Good Morning, Madame Chairwoman Snowe, Ranking Member Kerry, and distinguished Members of this Committee. Thank you for inviting me to speak about my business in regard to my association with the Women's Business Center of Northern Virginia. I am Patricia Sands, the CEO of Spill-Guard. Spill-Guard is a one member, woman-owned, home-based LLC that is located in Arlington, Virginia. My product is Spill-Guard Male Urinal and my storefront is the Internet. It is the only hands-free male urinal on the market that tests 500% improved over typical products. I am proud to say Spill-Guard is American made and produced in Leominster, Massachusetts.

No doubt, it was an unusual endeavor for a low-income mother of 3. My product and business idea came about from seeing a need in my life. In the years past, I cared for my severely ill family members. As a military war widow I cared not only for my husband, but also for my Father that had a 10-year recovery from a stroke. I did not know it at the time, but in caring for them; I also was gathering great market research in the field of incontinence. I know the patient, the problems, the cost and the exhaustion of the caregivers.

From this bank of experience as a caregiver and my training in design, I put my mind to the task of exploring how to create a more stable male urinal. With several paper mache prototypes and revisions...the design came together quite quickly. However, the patent, the engineering, the manufacturing and the distribution has taken almost 5 years to be just at the start up phase! It has taken all my efforts and funds. I believe in it, I know it will help others. My family knows that this seemingly insignificant

product has the ability to enhance the health of the patient by drastically reducing the incidence of urine spills and bedsores. Right now, the product choices for a severely ill patient are limited to typical urinals, adult diapers and internal and external catheters. There is no product like mine on the market for price and performance. Spill-Guard will lower the labor and material costs to the facilities. Yes, this product will benefit Medicare with the growing baby boomer generation entering their golden years. For example, incontinence is the number one reason for admission into a nursing home. Spill-Guard can assist in keeping a patient in his own home longer by effectively managing his care with dignity. The fact is, this one simple product can positively impact an \$11 billion a year industry in the US.... \$175 billion worldwide according to S & P.

But it is not enough to have a great idea. I am a middle-aged woman with a low income and an art degree... that is strike three in the business world! I needed a plan and I needed business skills. That is why I am here before you today. I took classes with the Women's Business Center of Northern Virginia. With the sustained advice and services of the Women Business Center of Northern Virginia, I wrote a business plan and learned the basic skills on how to structure the future of my business. I have had to readjust and change my plan almost on a monthly basis. What I thought would unfold...did not; characteristic of all entrepreneurial ventures. With the Women's Business Center of Northern Virginia, I had magnificent professionals that helped me make wise choices and new plans.

For example, last year I had a series of crushing events that could have ended my business. The largest event was that I was not notified of my factory in New Hampshire closing without honoring my purchase orders. I lost all my customers at that time. Yet, with encouragement and planning I kept going. Right after the move to the new mold, it was apparent that my mold needed a modification. This modification was both costly both in time and money. Truly, I was wondering about the feasibility of my

business and whether the seemingly endless string of delays and costs would ever end. Once again I turned to the Women's Business Center of Northern Virginia and we discussed options. Within a short period of time, we came up with a workable strategy to recover from this upset and address any unexpected costs. And, the WBC didn't stop there, as another source of support, I received a "Don't give up...you are almost there," from the entire staff of the Women's Business Center. As you can tell, I value not only their expertise but their friendship as well.

The caliber of their classes and expertise bring credibility to the venture. Spill-Guard has won many awards. Spill-Guard was awarded the Business Plan of the Year Award, the Rising Star Award and the Most Valuable Player for Micro Enterprise Award. My business and association with the Women's Business Center has been documented in such distinguished publications such as the Chronicle of Philanthropy. The reason I am here today is because of the continued support of the Women's Business Center. They are committed to my success. When you are associated with so many people that want you to succeed...you are already a winner.

Where is my business now? Shipping! After a year of delays and setbacks, my product started shipping last July. I have had 100% outstanding customer satisfaction. Yet, I had a problem. I lacked the marketing budget due to the cost of the modifications and several kids that required shoes and food etc. I knew I needed to find another way to get the sales moving. To view my competition, I went to MedTrade. It is the national medical products convention in Orlando. At first I was overwhelmed by the size and cash flow of my competitors. After I caught my breath... I visited each of my competitors and realized I have NO competition. I clearly had the better product. What I needed was to attach an engine to my business and associate with a distributor. I then approached McKesson Medical Surgical in Richmond Virginia. Without hesitation, I was offered a distribution agreement. The product managers knew instantly the benefit of my

design. Can you imagine the feeling of taking an idea from a paper mache model to the boardroom of a Fortune 500 Company and they say...YES! It is the American dream all over again. It doesn't end there. McKesson has indicated they want to deepen our association and begin a dialog about the creation of a private label for this and my other products that will follow. You can be assured that I stay touch with The Women's Business Center of Northern Virginia as well as my lawyer for each step that is unfolding. I am excited about the future and am still closely watching my step...so I don't fall. I have come too far. Truly, I am at a critical point and no one is more aware of that fact than I am.

I plan on moving ahead and expecting this product to bring steady revenue with my association with McKesson. I am in their catalog and will be stocking their warehouses at this time. It is a leap of faith of sorts. For example, in working with a small business, an industry giant like McKesson needs to be sensitive and pay on the agreed 30 day net in order for my company to build. I have no doubt that they will honor their word. But as the owner, I will bare my soul here as an example of what I am facing in the near future.....the shipping ALONE for this order could be close to 10K. There are no deep pockets behind me ready to save the day. Again, this is a critical time to manage the risk and plan the growth for my business.

In fact, I am utilizing the Women's Business Center again to plan for this growth and start a dialog for a potential second short term loan. You see the Women Business Center is not only able to give invaluable information and support to a start-up business, but their expertise lends itself to the second stage of development and planning. As recently as last week, I met with an expert there that is counseling me thorough the steps of applying for 8a and Small Disadvantaged Business certification. It is a daunting detailed task that we are breaking into sections. She is troubleshooting my data and advising me on how to proceed. I fully understand the benefit in leveling the playing field

to sell products to the Federal Government. As you can imagine, as a military widow, my preferred customer will be the Veterans Administration. I want Spill-Guard available and affordable to those that truly need it. I would to say those listening, that I would be grateful to any connections, introductions or suggestions you might have to make this process happen with haste. I am very grateful that so much of our government works to serve the public good.

I am an example of the positive impact of the funding of the Women's Business Center program. It is imperative that this service, support and program be available to others. The American people need affordable training to be able to learn new skills. I did not have the luxury of time and money to pursue an MBA. But I needed the skills to go to the next level and pursue my idea. Ideas and innovation comes from small business. The strength and backbone of America is with its small businesses. Jobs are created through small business. It is worth investing in. Worried about the deficit? No-- - worry about the drain of an untrained and unemployed work force in the future. The cost in so many directions will be high if we don't pull center and get our grass roots economy growing strong again. Our presence is being felt around the world, but will our children have freedom and opportunity to thrive HERE?

Think about it...only in American could a low-income widow with 3 kids have the nerve and the opportunity to find a place in the billion-dollar medical products field. The decisions you make in the Senate and government at large impact the opportunities given to its tax paying citizens. True, I am not there yet --I have many turns to make and pitfalls to avoid...but I made it to the market place and I am being taken darn seriously. I have no doubt that I will move from low-income status to paying a whole lot of taxes because I am wealthy! This can happen with other potential businesses as well if we continue to support the Women Business Center program. Over and over again we have heard concerns voiced over the economy, concerns about our labor force not having

skills, concerns about the takeover of big businesses and concerns about jobs leaving our country. These are valid concerns. How can we build a solid business structure here with our foundation in another country? We can't. It will fall. We have to invest in growing our own businesses and strengths here.

In conclusion, it is exciting to hear a good story about your next-door neighbor trying to forge ahead...isn't it? It is the American dream unfolding again. Right now, I am being watched and lifted up as an example to thousands of kids and low-income people. They see it can STILL be done. I hope to be in a position to help others in the future myself and give back what has been so generously given to me. It is a ripple effect. Funding the Small Business Administration programs like the Women's Business Center of Northern Virginia is like planting seeds for future growth of our country. It is a small investment in comparison to the whole of our budget that will reap great and positive returns. With the funding being cut I am afraid you will hear fewer success stories in the future. Maybe it is time for America to revise ITS business plan? It is not too late.

Thank you for inviting me here today. I am honored to be in your presence and to have the opportunity to express my thoughts. I know I speak for all the American people in thanking you for your fine service and your powerful decisions that will keep America strong.

I am happy to answer any questions you may have.